
Joint Release

**Board of Governors of the Federal Reserve
System
Federal Deposit Insurance Corporation
National Credit Union Administration
Office of the Comptroller of the Currency**

For Immediate Release

December 13, 2013

**Agencies Issue Statement on Supervisory
Approach for Qualified and Non-Qualified Mortgage Loans**

WASHINGTON - Four federal financial institution regulatory agencies today issued a statement to clarify safety-and-soundness expectations and Community Reinvestment Act (CRA) considerations related to Qualified Mortgage loans and non-Qualified Mortgage loans offered by regulated institutions.

The statement is intended to guide institutions as they assess the implementation of the Consumer Financial Protection Bureau's Ability-to-Repay and Qualified Mortgage Standards Rule, which takes effect January 10, 2014. From a safety-and-soundness perspective, the agencies emphasize that an institution may originate both Qualified Mortgage and non-Qualified Mortgage loans, based on its business strategy and risk appetite. The agencies will not subject a residential mortgage loan to safety-and-soundness criticism solely because of the loan's status as a Qualified Mortgage or non-Qualified Mortgage loan. The agencies continue to expect institutions to underwrite residential mortgage loans in a prudent fashion and address key risk areas in residential mortgage lending, including loan terms, borrower qualification standards, loan-to-value limits, documentation requirements, and portfolio- and risk-management practices, regardless of whether a residential mortgage loan is a Qualified Mortgage or non-Qualified Mortgage.

From a consumer protection perspective, the agencies responsible for conducting CRA evaluations do not anticipate that institutions' decision to originate only Qualified Mortgages, absent other factors, would adversely affect their CRA evaluations.

The attached statement is being issued by the Federal Reserve Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

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Attachment:

Interagency Statement on Supervisory Approach for Qualified and Non-Qualified Mortgage Loans - PDF (PDF Help)

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